

**Kenneth Rust**  
Director  
Federal Regulatory Matters

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NYNEX

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M. Street, N.W. Room 222  
Washington, DC 20554

RECEIVED

**JUN 25 1996**

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE

Sincerely,

Sincerely,

*Lee Rust*

Kenneth Rust

081



NAME (Last, first)

NYNEX  
1111 Westchester Avenue, White Plains, NY 10604  
Tel: 914 644 7511  
Fax: 914 694 5541

**Frank J. Gumper**  
Vice President, Federal Regulatory Planning



June 25, 1996

The Honorable Kenneth McClure  
Vice Chairman  
Missouri Public Service Commission  
301 W. High Street, Suite 530  
Jefferson City, MO 65102

Dear Commissioner McClure:

Thank you for taking the time to meet with Stacey Chaney and myself during our recent visit to Missouri. Per your request, attached is a copy of the Benchmark Cost Model Universal Service Funding Levels for Price Cap companies in Missouri. In addition is a copy of the new distribution of the current high cost fund, using the Benchmark Cost Model.

If NYNEX can be of further assistance, please don't hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Frank Gumper".

Frank Gumper

NYNEX

1111 Westchester Avenue, White Plains, NY 10604  
Tel 914 644 7511  
Fax 914 694 5541

**Frank J. Gumper**

Vice President, Federal Regulatory Planning



June 25, 1996

Martha S. Hogerty  
Public Counsel for the State of Missouri  
P.O. Box 7800  
Harry S. Truman Building, Suite 250  
Jefferson City, MO 65102

Dear Ms. Hogerty:

Thank you for taking the time to meet with Stacey Chaney and me during our recent visit to Missouri. Per your request, attached is a copy of the Benchmark Cost Model Universal Service funding levels for Price Cap companies in Missouri. In addition is a copy of the distribution of the current high cost fund using the Benchmark Cost Model.

If NYNEX can be of further assistance, please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Gumper". The signature is fluid and cursive, with the first name "Frank" being more prominent.

Frank Gumper

# Benchmark Cost Model

## Universal Service Funding Levels

## Missouri Households & Funding for Price Cap Companies

Number of Households for specified Ranges

Contel/GTE	CONTEL AR & MO, GTE NORTH, KS STATE	178,555	28,385	16,528	17,085	11,488	8,908	16,428	277,377
Southwestern Bell	SOUTHWESTERN BELL - MO	1,353,925	25,801	13,390	7,882	6,383	3,205	4,797	1,415,363
United Telephone	UNITED TEL CO OF MISSOURI - MO	104,479	13,628	6,680	3,316	6,087	2,250	3,021	139,471
	Total Price Caps	1,636,959	67,814	36,598	28,283	23,948	14,364	24,244	1,832,211

USF Funding

Contel/GTE	CONTEL AR & MO, GTE NORTH, KS STATE			\$0	\$1,983,360	\$3,075,300	\$2,757,360	\$2,672,700	\$5,913,360	\$16,402,080	\$34,662,027
Southwestern Bell	SOUTHWESTERN BELL - MO			\$0	\$1,606,600	\$1,418,760	\$1,527,120	\$861,500	\$1,728,920	\$7,241,100	\$0
United Telephone	UNITED TEL CO OF MISSOURI - MO			\$0	\$801,600	\$598,680	\$1,463,280	\$875,000	\$1,087,560	\$4,624,320	\$1,455,023
	Total Price Caps			\$0	\$4,391,760	\$5,080,940	\$5,747,760	\$4,308,200	\$8,727,840	\$28,267,500	\$36,117,050

## New Distribution of the Current High Cost Fund using the Benchmark Cost Model

### PRICE CAP LECS \$ (M)

	<u>Current</u>	<u>New</u>	<u>Delta</u>
Ameritech	--	\$4	+4
Bell Atlantic	\$5	\$3	-2
Bell South	\$40	\$21	-19
Contel/GTE	\$150	\$91	-59
Frontier	\$3	\$5	+2
Lincoln	--	\$5	+5
NYNEX	\$10	\$6	-4
PACTEL	--	\$14	+14
SNET	--	\$.05	+.05
Southwestern Bell	\$1	\$27	+26
United Tel	\$46	\$22	-24
US West	\$3	\$64	+61

*Produced by: NYNEX*